
HOUSE BILL 1044

State of Washington

57th Legislature

2001 Regular Session

By Representatives Conway, Lambert, H. Sommers, Talcott, Doumit, Pearson, Alexander, Kagi, McIntire, Hurst, Hatfield, Haigh, Kenney, Edmonds, Keiser and Simpson; by request of Joint Committee on Pension Policy

Read first time 01/12/2001. Referred to Committee on Appropriations.

1 AN ACT Relating to converting the number of months into hours that
2 teachers' retirement system, public employees' retirement system, and
3 school employees' retirement system retirees may work without a
4 reduction in their retirement allowance; amending RCW 41.32.802,
5 41.32.860, 41.32.862, 41.35.060, 41.40.037, and 41.40.750; and
6 providing an effective date.

7 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

8 **Sec. 1.** RCW 41.32.802 and 1997 c 254 s 8 are each amended to read
9 as follows:

10 (1)(a) If a retiree enters employment with an employer sooner than
11 one calendar month after his or her accrual date, the retiree's monthly
12 retirement allowance will be reduced by five and one-half percent for
13 every seven hours worked during that month. This reduction will be
14 applied each month until the retiree remains absent from employment
15 with an employer for one full calendar month.

16 (b) The benefit reduction provided in (a) of this subsection will
17 accrue for a maximum of one hundred forty hours per month. Any benefit
18 reduction over one hundred percent will be applied to the benefit the
19 retiree is eligible to receive in subsequent months.

1 (2) A retiree who has satisfied the break in employment requirement
2 of subsection (1) of this section, may work up to (~~five months~~) eight
3 hundred sixty-seven hours per calendar year in an eligible position, as
4 defined in RCW 41.32.010, 41.35.010, or 41.40.010, or as a fire fighter
5 or law enforcement officer, as defined in RCW 41.26.030, without
6 suspension of his or her benefit.

7 (3) If the retiree opts to reestablish membership under RCW
8 41.32.044, he or she terminates his or her retirement status and
9 immediately becomes a member. Retirement benefits shall not accrue
10 during the period of membership and the individual shall make
11 contributions and receive membership credit. Such a member shall have
12 the right to again retire if eligible.

13 **Sec. 2.** RCW 41.32.860 and 1997 c 254 s 7 are each amended to read
14 as follows:

15 (1) Except under RCW 41.32.862, no retiree shall be eligible to
16 receive such retiree's monthly retirement allowance if he or she is
17 employed in an eligible position as defined in RCW 41.40.010 (~~or~~),
18 41.32.010, or 41.35.010, or as a law enforcement officer or fire
19 fighter as defined in RCW 41.26.030.

20 (2) If a retiree's benefits have been suspended under this section,
21 his or her benefits shall be reinstated when the retiree terminates the
22 employment that caused the suspension of benefits. Upon reinstatement,
23 the retiree's benefits shall be actuarially recomputed pursuant to the
24 rules adopted by the department.

25 **Sec. 3.** RCW 41.32.862 and 1997 c 254 s 9 are each amended to read
26 as follows:

27 (1)(a) If a retiree enters employment with an employer sooner than
28 one calendar month after his or her accrual date, the retiree's monthly
29 retirement allowance will be reduced by five and one-half percent for
30 every seven hours worked during that month. This reduction will be
31 applied each month until the retiree remains absent from employment
32 with an employer for one full calendar month.

33 (b) The benefit reduction provided in (a) of this subsection will
34 accrue for a maximum of one hundred forty hours per month. Any benefit
35 reduction over one hundred percent will be applied to the benefit the
36 retiree is eligible to receive in subsequent months.

1 (2) A retiree who has satisfied the break in employment requirement
2 of subsection (1) of this section, may work up to (~~five months~~) eight
3 hundred sixty-seven hours per calendar year in an eligible position, as
4 defined in RCW 41.32.010, 41.35.010, or 41.40.010, or as a fire fighter
5 or law enforcement officer, as defined in RCW 41.26.030, without
6 suspension of his or her benefit.

7 (3) If the retiree opts to reestablish membership under RCW
8 41.32.044, he or she terminates his or her retirement status and
9 immediately becomes a member. Retirement benefits shall not accrue
10 during the period of membership and the individual shall make
11 contributions and receive membership credit. Such a member shall have
12 the right to again retire if eligible.

13 **Sec. 4.** RCW 41.35.060 and 1998 c 341 s 7 are each amended to read
14 as follows:

15 (1)(a) If a retiree enters employment with an employer sooner than
16 one calendar month after his or her accrual date, the retiree's monthly
17 retirement allowance will be reduced by five and one-half percent for
18 every eight hours worked during that month. This reduction will be
19 applied each month until the retiree remains absent from employment
20 with an employer for one full calendar month.

21 (b) The benefit reduction provided in (a) of this subsection will
22 accrue for a maximum of one hundred sixty hours per month. Any benefit
23 reduction over one hundred percent will be applied to the benefit the
24 retiree is eligible to receive in subsequent months.

25 (2) A retiree who has satisfied the break in employment requirement
26 of subsection (1) of this section may work up to (~~five months~~) eight
27 hundred sixty-seven hours per calendar year in an eligible position, as
28 defined in RCW 41.32.010, 41.35.010, or 41.40.010, or as a fire fighter
29 or law enforcement officer, as defined in RCW 41.26.030, without
30 suspension of his or her benefit.

31 (3) If the retiree opts to reestablish membership under RCW
32 41.35.030, he or she terminates his or her retirement status and
33 becomes a member. Retirement benefits shall not accrue during the
34 period of membership and the individual shall make contributions and
35 receive membership credit. Such a member shall have the right to again
36 retire if eligible in accordance with RCW 41.35.420 or 41.35.680.
37 However, if the right to retire is exercised to become effective before
38 the member has rendered two uninterrupted years of service, the

1 retirement formula and survivor options the member had at the time of
2 the member's previous retirement shall be reinstated.

3 **Sec. 5.** RCW 41.40.037 and 1997 c 254 s 14 are each amended to read
4 as follows:

5 (1)(a) If a retiree enters employment with an employer sooner than
6 one calendar month after his or her accrual date, the retiree's monthly
7 retirement allowance will be reduced by five and one-half percent for
8 every eight hours worked during that month. This reduction will be
9 applied each month until the retiree remains absent from employment
10 with an employer for one full calendar month.

11 (b) The benefit reduction provided in (a) of this subsection will
12 accrue for a maximum of one hundred sixty hours per month. Any benefit
13 reduction over one hundred percent will be applied to the benefit the
14 retiree is eligible to receive in subsequent months.

15 (2) A retiree who has satisfied the break in employment requirement
16 of subsection (1) of this section, may work up to (~~five months~~) eight
17 hundred sixty-seven hours per calendar year in an eligible position, as
18 defined in RCW 41.32.010, 41.35.010, or 41.40.010, or as a fire fighter
19 or law enforcement officer, as defined in RCW 41.26.030, without
20 suspension of his or her benefit.

21 (3) If the retiree opts to reestablish membership under RCW
22 41.40.023(12), he or she terminates his or her retirement status and
23 becomes a member. Retirement benefits shall not accrue during the
24 period of membership and the individual shall make contributions and
25 receive membership credit. Such a member shall have the right to again
26 retire if eligible in accordance with RCW 41.40.180. However, if the
27 right to retire is exercised to become effective before the member has
28 rendered two uninterrupted years of service, the retirement formula and
29 survivor options the member had at the time of the member's previous
30 retirement shall be reinstated.

31 **Sec. 6.** RCW 41.40.750 and 1998 c 341 s 113 are each amended to
32 read as follows:

33 (1) Effective September 1, 2000, the membership of all plan 2
34 members currently employed in eligible positions in a school district
35 or educational service district and all plan 2 service credit for such
36 members, is transferred to the Washington school employees' retirement
37 system plan 2. Plan 2 members who have withdrawn their member

1 contributions for prior plan 2 service may restore contributions and
2 service credit to the Washington school employees' retirement system
3 plan 2 as provided under RCW 41.40.740.

4 (2)(a) The membership and previous service credit of a plan 2
5 member not employed in an eligible position on September 1, 2000, will
6 be transferred to the Washington school employees' retirement system
7 plan 2 when he or she becomes employed in an eligible position. Plan
8 2 members not employed in an eligible position on September 1, 2000,
9 who have withdrawn their member contributions for prior plan 2 service
10 may restore contributions and service credit to the Washington school
11 employees' retirement system plan 2 as provided under RCW 41.40.740.

12 (b) The membership and previous service credit of a plan 2 member
13 last employed by a school district or educational service district and
14 retired prior to September 1, 2000, will be transferred to the
15 Washington school employees' retirement system plan 2 if the member
16 opts to reestablish membership.

17 (3) Members who restore contributions and service credit under
18 subsection (1) or (2) of this section shall have their contributions
19 and service credit transferred to the Washington school employees'
20 retirement system.

21 NEW SECTION. **Sec. 7.** This act takes effect January 1, 2002.

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